

## Changes in Estimated Payment Requirements

Franchise,  
Excise taxes  
notice  
#03-11

## Public Chapter 164

The requirements for all quarterly estimated franchise, excise tax payments due after May 19, 2003, have changed.

Every taxpayer who has a combined franchise, excise tax liability of \$5,000 or more for the current tax year must make quarterly estimated payments. Public Chapter 164, signed into law on May 19, 2003, made changes to the required payment provisions.

Quarterly estimated payments due before May 19, 2003, are required to equal, at least:

- 1) 25% of the combined franchise, excise liability for the preceding tax year; annualized if the preceding tax year was for less than twelve (12) months; or
- 2) 25% of 80% of the combined franchise, excise tax liability for the current tax year.

**Quarterly estimated payments due after May 19, 2003, are required to equal, at least:**

- 1) 25% of the combined franchise, excise tax shown on the tax return for the preceding tax year; annualized if the preceding tax year was for less than twelve (12) months; or
- 2) 25% of **100%** of the combined franchise, excise tax liability for the current tax year.

Any estimated payments due after May 19, 2003, should be based on the new requirements. If you are currently remitting estimated payments based on 25% of 100% of the preceding tax year, your minimum estimated payment amount will not change. However, if you are currently remitting estimated payments on 25% of 80% of the current year's tax liability, your minimum estimated payment will change for any payments remitted after May 19, 2003 (the effective date of this bill). Your new minimum estimated payment amount is based on 25% of 100% of the current year's tax liability.

For more information regarding franchise, excise taxes please visit our Web site. You may also contact us at (800) 342-1003 for in-state taxpayers and (615) 253-0700 for Nashville and out-of-state taxpayers.

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